

'Acquisitions are back on': Google CEO

September 23 2009, by Dave Clark



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US Internet giant Google is ready to begin buying up other companies again as the world economy begins to recover, chairman and chief executive Eric Schmidt said Wednesday.

"Acquisitions are back on," Schmidt told reporters after an upbeat talk to students and business leaders in Pittsburgh on the eve of the G20 summit of the world's most biggest economies.

Schmidt did not go into detail on Google's major [takeover](#) targets.

But -- in a wide-ranging talk hosted by the Pittsburgh Technology Council at Heinz Field stadium, home of the Pittsburgh Steelers football team -- he said the firm wanted to invest in creative new technologies.

"[Google](#) has created a venture arm called Google Ventures. It's an experiment, from our perspective. We have lots of cash, I think. As you know, we have a large cash portfolio," he said.

"We decided that we wanted to invest in the technology areas, both to get a financial return, of course, but also to accelerate the kinds of technologies that eventually Google will benefit from," he said.

"So it's too early to say how successful it's going to be, but we're definitely investing."

Last week, Google announced that it had bought reCAPTCHA, a company that produces software to protect websites against spam and fraud, signalling that it was once again in the acquisitions market after a quiet period.

Many multinationals have scaled down their ambitions since last year's credit crunch and ensuing financial slowdown, but Schmidt's message for the G20 leaders was that new technology can drive a world [economic recovery](#).

He also paid tribute to host city Pittsburgh, where his firm has an outpost, saying the formerly rundown steel city's reinvention of itself as a centre for high-tech business was an example to the United States and the world.

"After all, where will all the growth come from in America?" he asked.

"It's not going to come from high-volume, low-wage manufacturing jobs.

It's not going to come from the service industries selling to ourselves. It's going to come from industries like advanced manufacturing," he said.

"The growth is not going to come from moving money around between banks, which we're pretty good at by the way. The growth is going come from investment decisions made here, in cities like Pittsburgh."

Schmidt called for the G20 leaders and business to be optimistic for the [world economy](#), which he said "many people" now saw as coming out of the slump.

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